
**Ontario Golf Course Sales
Sellers' Information Package**

Pricing Your Golf Course

The single most important decision when selling a golf course is determining the right asking price.

Choosing the right price will ensure that your golf course will attract qualified buyers and sell in the shortest amount of time.

The *Ontario Golf Course Sales* team has a comprehensive understanding of golf properties and can provide an accurate assessment of market value.

Market value is determined using the following techniques.

The Cost Approach:

An analysis of how much it would cost to develop the same property. *Ontario Golf Course Sales* relies on its 40 years in the golf industry plus a network of affiliates to accurately estimate the cost to construct each hole, practice facility, irrigation system, clubhouse, maintenance building and other property features. Of course depreciation of assets must be taken into account.

The Income Approach:

An analysis of the golf course financials usually normalized over three years. Revenue and expenses are benchmarked against similar golf courses to determine operational efficiencies and/or deficiencies. An appropriate capitalization rate is then selected based on a number of factors including location and competition.

The Direct Comparison Approach:

This is the most popular approach in residential real estate but is rarely used with golf courses because relatively few sales occur each year in Ontario and no two golf courses are the same.

The Benefits of Pricing Right:

1. Your golf course sells faster because it is exposed to more qualified buyers.
2. Correct value encourages lenders to participate with the buyer.
3. Your golf course doesn't lose its marketability.
4. The closer to market value, the higher the offers.
5. A well-priced golf course can generate competing offers.

The Result of Overpricing

Overpricing your golf course will result in little interest from prospective buyers and the "right buyer" will be missed. Many owners believe that prospective buyers "can always make an offer" but if your golf course is overpriced, prospective buyers looking in a lower price range may never see it.

Overpricing is usually influenced by the following factors:

1. Relying solely on the cost approach to determine value. Since a golf course is a "going" business, the income approach must also be used.
2. Factoring "sweat equity" into the asking price. Unfortunately this is not used in determining market value.

3. Factoring “potential” into the asking price. Potential is the upside for the buyer not the seller.
4. Allowing emotional value to influence the asking price.
5. Building “bargaining room” into asking price.

The Marketing Plan

Since a golf course is usually the highest and best use of your land, golf courses must be marketed to the golf industry.

Ontario Golf Course Sales has a proven marketing strategy to successfully sell your golf course. The marketing plan consists of the following:

1. Development of a Golf Course Feature Sheet. This is provided to interested parties that have registered with *Ontario Golf Course Sales*.
2. Development of a Golf Course Financial Snapshot Sheet. This is provided only to qualified buyers that have registered with *Ontario Golf Course Sales* and signed a confidentiality form.
3. Profile on *ontariogolfcoursesales.com* the only website dedicated to golf course sales in Ontario
4. Profile on numerous golf industry websites including “Members Only” postings.
5. Targeted marketing to large network of golf industry decision-makers including owners, developers, general managers, professionals and superintendents.
6. Access to proprietary and confidential list of pre-qualified buyers.

Exclusive Sale

Another consideration is whether to market a golf course “exclusively” (quietly) instead of relying on public channels such as putting up a For Sale sign or placing on the Multiple Listing Service (MLS). This is due to the adverse effect a public sale can have on the golf course operation including possible loss of memberships and pre-booked leagues and tournaments. The majority of *Ontario Golf Course Sales*’ clients opt for an exclusive sale. Of course, if this is not of concern, traditional marketing vehicles are used including MLS, and ICI World.

Signing a Listing Agreement

The first formal step in marketing your golf course is to enter into a Listing Agreement – a contract that commits *Ontario Golf Course Sales* to actively market your property for a specified period of time (usually 1 year). It also commits you to a pre-established marketing fee that is paid upon the successful closing of the sale. This is usually 5% for golf courses that sell for above \$3 million and 6% for golf courses that sell for below \$3 million.

Preparing Your Golf Course For Sale

In order to represent your property in the most efficient and professional manner, a list of documents and information is required for evaluation and presentation.

Documents (if available)

1. Most recent appraisal
2. Most recent survey showing all additions and outbuilding;
3. Floor plans of clubhouse;
4. Scorecard/Course layout;
5. Rate Sheet;
6. Three (3) years of financial records;
7. List of chattels and equipment;
8. List of rented/leased equipment;
9. List of service and maintenance contracts that would be assumable;
10. List of capital improvements including the year completed and cost;
11. List of employees with wages and benefits;
12. Most recent tax bill and current CVA;
13. Copies of any Environmental Assessments;
14. Copies of any Archaeological Studies;
15. Copy of any Rights of Way, Easements or Encroachments registered on Title;
16. Copy of any inspection reports including HVAC, roof and structure.

Golf Course Information

Please complete the following information and scan/email or fax to *Ontario Golf Course Sales*.

Email: info@ontariogolfcoursesales.com

Fax: 905-563-8885

Property Information

Legal Name of Golf Course

Legal Description

Address of Property

Legal Owner's Name

Shareholder's Name(s)

Property Zoning

Assessment Role Number

Golf Course

Number of Holes

Total Yardage

Course Rating/Slope Rating

Greens Type

Tees Type

Fairway Type

Rough Type

Bunker Sand

Buildings - Description and Square Footage

Maintenance Building

Fuel Tanks

Chemical Storage

Pump Station

Starter Hut

Rain Shelters

On-Course Washrooms

Clubhouse

Description and Square Footage of Clubhouse

Description and Square Footage of Kitchen

Licensed Seating Capacity for Clubhouse

Beverage Cart

P.O.S System

HVAC Type and Number of Units

Parking Lot Capacity

Pro Shop

Description and Square Footage of Pro Shop

P.O.S. System

Tee Sheet Software

Number of 9-Hole Rounds

Number of 18-Hole Rounds

Value of Inventory